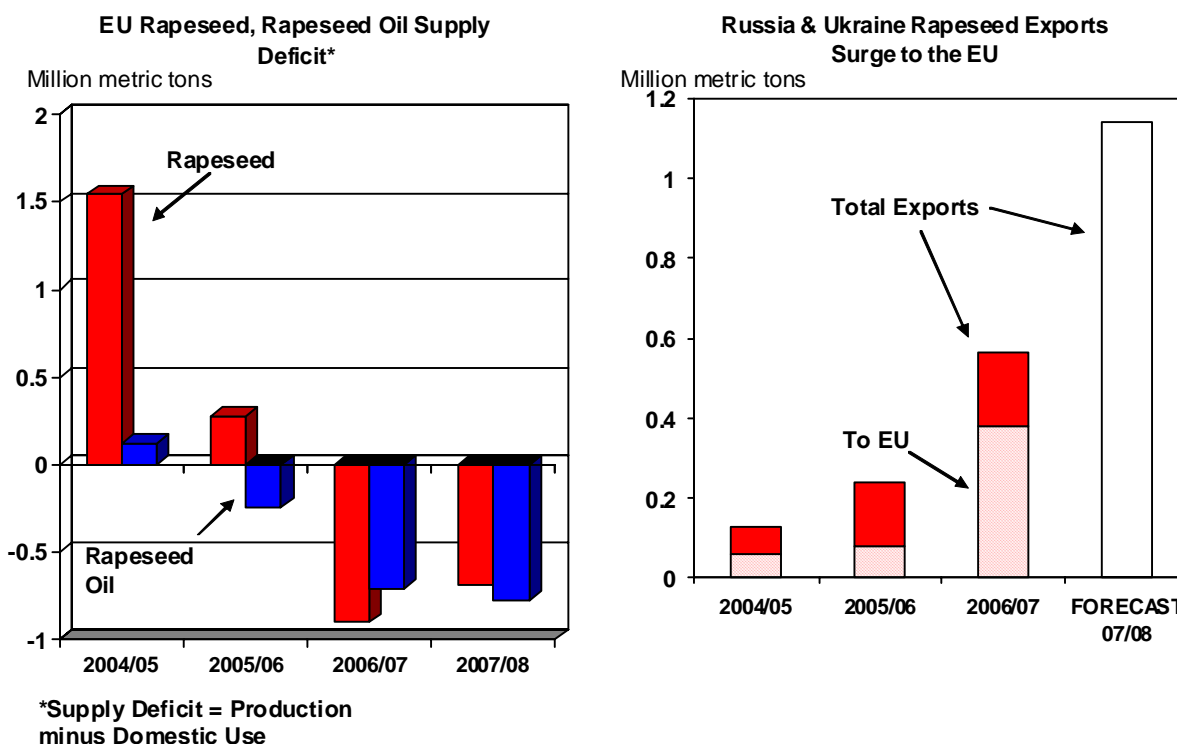


Oilseeds: World Markets and Trade

European Union Rapeseed Supply Deficit to be Supplied by Russia & Ukraine



Explosive growth in European Union use of rapeseed and rapeseed oil is forecast to exceed domestic production by over a million tons for the second consecutive year driven by demand from the biodiesel sector. Traditional suppliers, Australia and Canada have not been able to keep pace with surging EU demand, particularly this year with drought in Australia.

Over the past three years Russia and Ukraine have expanded rapeseed area by 250% and 400% respectively, because producers have a ready market in the EU with a natural freight and logistically advantage. Russia and Ukraine shipped close to 400 thousand tons of rapeseed to the EU during 06/07, triple the volume of the previous year, and accounting for 50% of the EU import market. With Russia and Ukraine forecast to ship 1.1 million tons in 07/08 we would expect a significant portion of those exports to go to the EU.